



# DoD Travel Card Program

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- **Program Facts and Statistics**
- **Benefits**
- **Completed and Pending Actions**
- **Answers to Frequently Asked Questions**

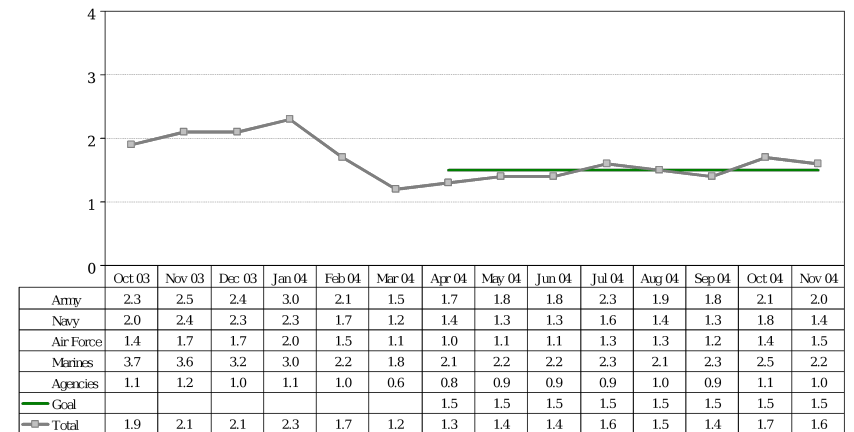
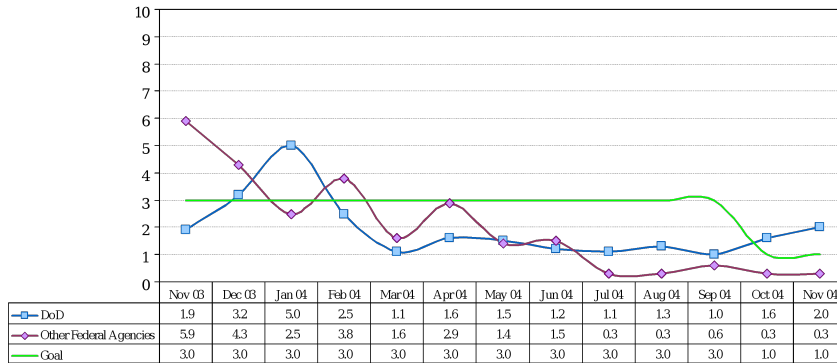
# Program Size



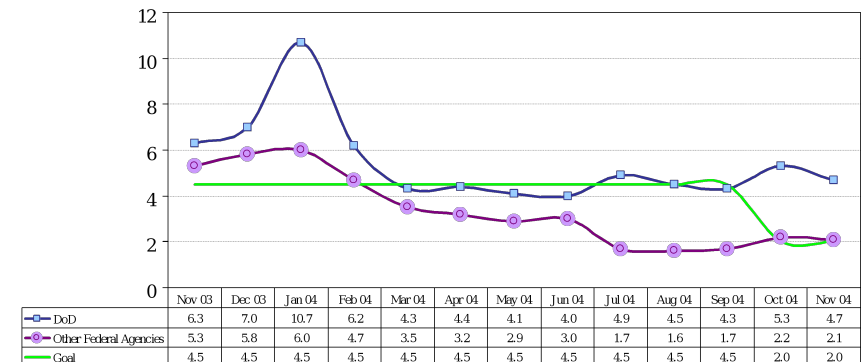
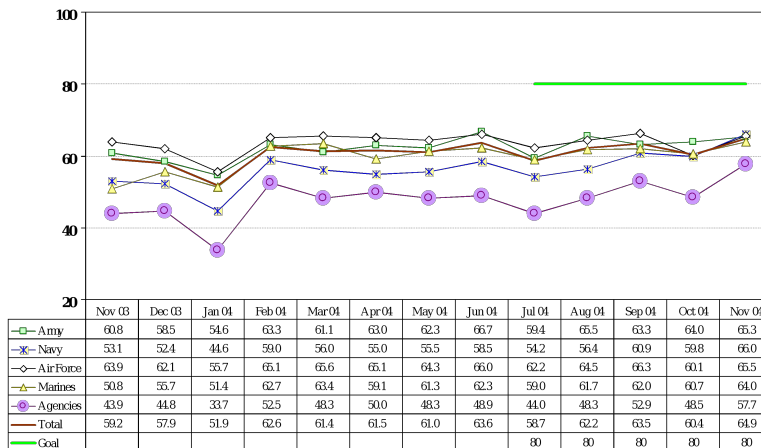
	<b>FY02</b>	<b>FY03</b>
<b>FY04</b>		
<b>Cardholders</b>	<b>1.3M</b>	<b>1.1M</b>
<b>1.1M</b>		
<b>Spend</b>	<b>\$3.7B</b>	<b>\$3.8B</b>
<b>\$4.0B</b>		
<b>Rebates</b>	<b>\$4.7M</b>	<b>\$7M</b>
<b>\$8.9M</b>		

# DoD Key Metrics - IBAs

## % of Delinquent \$ IBAs % of Delinquent Cardholders



## Split Disbursement Participation of Delinquent \$ CBA



## Benefits to the Government

- Reduced administrative expense
- No cost means of advancing travel funds
- Access to GSA City Pairs program with estimated savings of over \$1 Billion annually
- Data rich environment for management and business intelligence
- Rebates based on volume of spend
- Tailored task order to meet agency needs

## Benefits to the Traveler

- No reporting to credit bureaus until after salary offset proves unsuccessful
- No interest charges
- Extended repayment terms
- Delayed late fees
- Insurance benefits
- No need to use personal funds or credit card(s)

# Credit Implications



- Impact is negligible UNLESS bill is never paid
- A single credit inquiry can result in 5 to 10 point change – most DoD applicants deny the credit check.
- No reporting on payment history
- No reporting to credit bureaus at all unless Salary offset is unsuccessful (> 210 days)
- Late payments on personal cards are reported irrespective of whether travel reimbursements are received.

# Best Practices



- **Comprehensive monthly reviews (accounts and metrics)**
- **Compare delinquency with split disbursement utilization**
- **Mandatory cardholder and A/OPC training**
- **Reasonable spend/transaction limits and merchant category code (MCC) block review**
- **Deactivation/cancellation of unused accounts**
- **Regular comparison of separations/retirements to open accounts**



- **Implementation of Mandatory Split Disbursement for Military and civilians**
- **Unused Ticket Research**
- **Standard Training Programs**
- **Reinstatement policy for canceled accounts**
  - **New credit check with acceptable score**
  - **\$29 non-reimbursable fee**
  - **Not charged off previously**
  - **No second opportunity**
- **Minimum credit score for issuance of a travel card**

# Issues Pending



- **Creditworthiness**
- **Local Bargaining on new policies**
- **DTS enhancements / eTravel implementation**
- **CBA-related control weaknesses regarding premium travel, duplicate payment of airfare, and misuse**
- **Improved review of accounts after separation**
- **Accounts with erroneous SSNs**
- **Prepaid card pilots**

# **Datamining Pilot**



- **Partnership with Bank of America and VISA**
- **Each Service Component Program Manager and at least one major command participating**
- **Targeted Reports based on DoD criteria**
- **Provides opportunity to easily review aggregate spending and transactions that may be potential misuse**

## Benefits in First Three Months

- **Premium Travel Report to OUSD(P&R)**
- **Report on purchases on air routes with no city pair offering to GSA**
- **Reduced volume of charges made on blocked merchant codes requiring review**
- **More visibility to scope of potential problems**
  - ex. 0.06% of dollar transactions are purchases**

# Bargaining Obligations



- **Salary Offset** **June 2**
  - 1 Agency remaining**
- **Mandatory Split Disbursement** **M**
  - Services completed, Agencies ongoing**
- **Reinstatement fee** **May 2**
- **Creditworthiness** **May 2**
  - minimum cut off score**
  - self certification form (pending)**

# Frequently Asked Questions

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**What authority requires that I use a travel card and where does it say so?**

**Answer: Public Law 105-264 prescribes mandatory use of the travel card.**

**Volume 9, Chapter 3 of the DoD Financial Management Regulations carries out the requirement and provides the exceptions**

**Federal Travel Regulation (FTR)**

# Frequently Asked Questions

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**What authority requires me to split disburse my travel payments and where does it say so?**

**Answer: Public Law 107-314, Section 2784a gives DoD the authority to implement split disbursement. Memorandum from the DoD Comptroller dated 23 Apr 03 implements that authority.**

**For civilian agencies, split disbursement is currently being**

# Frequently Asked Questions

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**What if I can't pay my bill because I haven't received my reimbursement?**

**Answer: Individually billed accounts are the obligation of the cardholder. There is no condition on payment after reimbursement. Accounts not paid after 60 days are suspended. Late fees begin to incur at 75 days (at DoD). However, if the government is responsible for the delay in payment, late fees are reimbursable and the APC can contact the Bank to keep the account from suspending or to reinstate**



# Frequently Asked Questions

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**Can I be placed in salary offset without anyone notifying me?**

**Answer: Public Law 105-264 provides for agencies to provide due process notice to the cardholder before salary offset is initiated.**

**At DoD, the bank sends a notice for salary offset to the address of record at the 90 day delinquency point - 30 days prior to referral to DFAS for salary offset.**

**Individuals are responsible to contact the bank when they have a change of address.**

**The due process obligation is met by**

# Frequently Asked Questions

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**What if I prefer to use my own card instead of the Government card?**

**Answer: Public Law 105-264 prescribes mandatory use because it saves the Government (and taxpayers) money. For example, GSA City Pairs discounts are only available on Government charge cards under the GSA SmartPay® contract.**

**There are some exemptions from the card and they are noted in FTR 301-51.**

# Frequently Asked Questions

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**What if I agree not to ask for a travel advance and use my own card?**

**Answer: Use of the card is mandated by law. The SmartPay contract with the card issuing Banks were based on assumptions of spend volumes.**

**Allowing individuals to opt out and reduce those volumes could result in a less beneficial program for the government.**

**Additionally, you would not have access to GSA City Pairs unless you have a Government travel card or a GTR.**

# Frequently Asked Questions

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**What if I can prove that I can get a cheaper rate than the GSA City Pairs rate on the internet?**

**Answer: You may be able to find a cheaper rate than the GSA City Pairs rate, however, there are other benefits to GSA City Pairs, such as a fully refundable ticket if ticket is unused (most other tickets are non-changeable and non-refundable or carry heavy penalties for changes/cancellations) and last seat availability. If you go outside the GSA City Pairs program solely to get a lower**

# Frequently Asked Questions

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**What if I can't get a card?**

**Answer:** Individuals who are not eligible for a card, or are exempt from its use, including those whose card was previously cancelled or have poor credit, are eligible for a travel advance. Vol 9, Ch 3, Sections 030302 and 030303 provide for exemptions from mandatory use. Section 030302.A.2.b clarifies that individuals who refuse the card are not exempt from its use, therefore they are **NOT eligible for a travel advance.**

# Frequently Asked Questions

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**Will having a Government travel card hurt my personal credit rating?**

**Answer: Not unless you don't pay your bill. Travel card providing banks do not report travel card activity to the credit bureaus unless the account charges off (i.e. delinquent amounts over 120 days and not recoverable). Simply having a government travel card will not harm your credit rating. Since delinquencies aren't reported, it actually helps a**

# Frequently Asked Questions

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**What if I don't want the card because of concern about identity theft?**

**Answer: The Government travel card is no more vulnerable to identity theft than any other kind of card - in fact, the banks say there is less third-party fraud with the Government travel card than with their other consumer card portfolios. Card issuing banks may not sell or share personal information with entities outside of the SmartPay® program. Both Contract and Government personnel are subject to handling information in accordance with the**

# Frequently Asked Questions

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**I don't want to give my Social Security Number in order to get a card -- why can't you use an employee number or passport number instead?**

**Answer: Under the terms of the USA Patriot Act, Banks are required to obtain personal identifying information, including a Social Security number, in order to open accounts. In addition, credit checks, split disbursement, and other matching information between the card issuing bank and the government**



# Frequently Asked Questions

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**You can't require me to provide my Social Security Number. There is no law requiring I provide it.**

**Answer: That is correct. You can not be required to provide your SSN in order to get a card. However, the bank is not able to open an account without this information.**

**You can be subject to disciplinary action for not using a card, whether or not you refused to obtain it depending on the**

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